Northern Health and Social Care Trust

Trust Board Briefing Paper	
Reference Number:	TB156/15/I
Date of Meeting:	28th March 2024
Presenting Director:	Paddy Graffin, Director of Infrastructure
Subject:	Alongside Interim 3 bedded Midwife Led Unit Business Case
Purpose: Approval/Noting	For approval
Background:	A business case to create an interim AMLU on the AAH site was approved at Trust Board on the 26th October 2023. The preferred option was the creation of a three suite AMLU using part of OPD4 with extension on level A of the main hospital. The capital budget approved was £3.731m (inc. of inflation) and recurrent revenue from 2026/27 was £350k per annum. On preparing contract documents Health Estates highlighted the risks in delivering the preferred option within the timeframe of June 2025 (noted in the letter from the permanent secretary). The risks in the main were due to the phasing and concerns over the impact on the adjacent Trust services during construction. In addition, the potential reprioritisation of the W&C Unit within the 10 year capital plan, led the Trust and Health Estates to consider the suitability of the preferred option to deliver the service for the next 10-15years and potentially beyond. This then led Health Estates to advise the Trust to consider alternative options which were presented to ExT on the 11th January 2024. Approval was given (from the existing AMLU business case approved at October 2023 Trust Board) to employ the design team to undertake a full assessment of the existing preferred option and 2 new options. The design team completed a full assessment of the deliverability and risks of the 3 options to deliver an AMLU on the Antrim Hospital site. They recommended the **Creation of a 3 –suite AMLU via a two- storey hybrid build (with off-site construction) which will be located at the front of Antrim Hospital adjacent to the courtyard and between the maternity and endoscopy departments** as the preferred option of the 3.

	The BC has now been revised to reflect the Design Team's analysis and it is presented to TB for approval and onward submission to the SPPG and DOH. The DOH has funded £80K in 2023/24 to start the detailed design of the AMLU. Regarding the remainder of the funding, a meeting with the Investment Directorate on 20th March, confirmed that they have included funds in their draft 2024/25 budget that will cover the 2024/25 costs (approx. £1.7m). They confirmed that the scheme is being treated by them as 'committed' so the funding to complete the project in 2025/26 will be prioritised. The funding position will be reviewed before the scheme goes to tender but the Trust is confident that the DOH will fund the full higher capital cost of the revised preferred option (£5.523m including OB and Inflation).

Details of the Investment Proposal:

Capital Development have developed the business case in conjunction with relevant maternity colleagues supported by colleagues from Health Estates and input from other Trust stakeholders, such as, finance, support services, ICT, telephony, Estates Services.

Investment Options

Four options, including the "Do Nothing" have been shortlisted following evaluation of the options.

Option 1	Do Nothing
Option 3 *(previous preferred option)*	Creation of a 3-suite AMLU using part of OPD4 with modular extension on Level A of the main hospital.
Option 4	Creation of a 3-suite AMLU via a two–storey modular build adjacent to OPD4 and wards A6/A7.
Option 5	Creation of a 3–suite AMLU via a two-storey hybrid build (with off-site construction) which will be located at the front of Antrim Hospital adjacent to the courtyard and between the maternity and endoscopy departments.

Following appraisal of shortlisted options against monetary and non-monetary benefits, the preferred option was noted to be **Option 5:**

Creation of a 3–suite AMLU via a two-storey hybrid build (with off-site construction) which will be located at the front of Antrim Hospital adjacent to the courtyard and between the maternity and endoscopy departments.

Capital Costs

Capital Costs for each of the 3 shortlisted options are below:

Capital Costs - Opt 3	Total Excluding Inflation £	Total Including Inflation £
Works Costs	2,022,474	2,114,107
Fees	374,158	391,110
Non-works Costs	50,562	52,853
Equipment Costs	519,420	556,917
PM Costs - Health Estates	65,730	68,708
PM Costs - Trust	0	0
Subtotal	**3,032,344**	**3,183,695**
Optimism Bias	506,846	532,195
Total	3,539,189	3,715,890

Capital Costs - Opt 4	Total Excluding Inflation £	Total Including Inflation £
Works Costs	3,689,677	3,823,185
Fees	682,590	707,289
Non-works Costs	92,242	95,580
Equipment Costs	519,420	541,632
PM Costs - Health Estates	119,915	124,254
PM Costs - Trust	0	0
Subtotal	**5,103,844**	**5,291,940**
Optimism Bias	821,003	850,710
Total	5,924,847	6,142,650

Capital Costs - Opt 5 Preferred	Total Excluding Inflation £	Total Including Inflation £
Works Costs	3,206,559	3,369,426
Fees	593,213	623,344
Non-works Costs	80,164	84,236
Equipment Costs	519,420	559,839
PM Costs - Health Estates	104,213	109,506
PM Costs - Trust	0	0
Subtotal	**4,503,569**	**4,746,351**
Optimism Bias	737,046	776,834
Total	5,240,615	5,523,184

The capital costs of the preferred option (option 5) is £5,241k (inc. OB and exc. inflation) and £5,523k (inc. OB and inflation). Option 4 has highest capital cost which is £619k greater than the preferred option (inc. optimism bias and inflation). *The new preferred option is £1.792m more than the orginal preferred option due to increase in floor area (inc. inflation).*

Recurring Revenue Costs

The additional revenue requirement for Option 3 is £376k; Option 4 is £420k and Option 5 is £440k, as shown in the table below.

With regard to the additional recurrent revenue required for the preferred option, an additional £439,512 is required from SPPG (via RCCE). The intention is to engage further with SPPG following approval at Trust Board. There are additional staffing costs (3.0 WTE) included at a cost of £199k. The Workforce Plan is included in Appendix 3 of the business case.

Recurrent Revenue Costs	Option 1 £	Option 3 £	Option 4 £	Option 5 £
Additional clinical staff - 3 WTE midwives	0	£198,706	£198,706	£198,706
HLP	£19,948	£32,506	£55,738	£48,059
Water	£2,205	£3,594	£6,162	£5,313
Rates	£6,934	£11,300	£19,376	£16,706
B&E Maintenance	£24,103	£39,276	£67,347	£58,068
Cleaning Costs	£41,706	£90,665	£91,618	£112,702
Additional Portering Costs	0	£26,447	£26,447	£26,447
Additional Pharmacy Costs	0	£14,415	£14,415	£14,415
Reduction in overhead costs with Portacabins being demolished		£0	-£18,546	£0
Additional ICT/Telephony Support Costs	0	£2,050	£2,050	£2,050
Additional Equipment Maintenance	0	£51,942	£51,942	£51,942
Total	£94,897	£470,900	£515,256	£534,408
Additional Recurrent Revenue costs above baseline		£376,004	£420,360	£439,512

Options Appraisal Summary
The net present costs of each of the options along with their benefit score, cost per benefit and risk are summarised in the table below.

Option 5 has the second lowest net present cost of the 3 "do something" options and has the highest benefit score. It therefore has the lowest cost per benefit of the 3 "do something" options and is the preferred option.

	Option 1	Option 3	Option 4	Option 5
Net Costs (capex and opex)	£2,664,781	£11,555,720	£14,957,089	£14,296,969
Benefit Score	250	730	780	925
Cost per Benefit Score	N/A	£15,830	£19,176	£15,456
Risks	N/A	M	M/H	M
Conclusion	N/A	2	3	1

Risks
The key risks associated with the preferred Option 5 have been summaraised below:

Risk Description	Likely Impact and Probability of Risk	Mitigations/Management Measures
1. There is the risk that the project will not receive the necessary capital and revenue funding from the Department and SPPG.	H (I) M (P)	Considered as medium risk. With regard to the capital requirement a condition of the DoH approval of the service model changes in Causeway was for the Trust to develop an AMLU on the Antrim Site. As such DoH have included the project in the 10 year capital plan and are planning for the investment. However, with regard to the revenue, agreement is to be reached with the Commissioner hence both options considered "medium" risk with regard to the revenue. With regard to mitigations regarding the revenue discussions are taking place with the Commissioner as part of RCCE.
2. There is a risk that the project will not be delivered within the timeframe.	M (I) M (P)	Considered to be medium risk as the main works can be undertaken without the need for phasing. There will be minor road realignment and the potentially decant of services that could add to the timeframe. As mitigations the appointed ICT will liaise closely with HE and the Trust to develop a programme at the earliest possible stage

		with critical path identified tracking at each stage and highlighting as early as possible any areas of concern.
3. There is a risk that services may be disrupted on site during the enabling works and delivery of this project causing services to be withdrawn.	H (I) H (P)	Has risk been noted as a high risk due to potential disruption to MEM, SCS, Maternity and Neonatal services as these services are close to the construction works. To mitigate the likelihood and impact of the risk there will be close monitoring of the project throughout. Breakthrough into the existing maternity unit will result in minimum disruption as the contractors' access would be from the new building.
4. There is a risk that the planning application maybe delayed and/or planning permission may not be provided to enable the project to be delivered within the June 2025 timeframe.	M (I) M (P)	This is considered low risk (when compared with option 4) due to the positioning and scale of the development. In terms of mitigations early and continuous engagement with the required statutory authorities to ensure risks are clearly identified and mitigated will be ensured. The Trust does not anticipate any risks that would significantly impact on the successful delivery of the project.
5. The impact to the Trust in terms of the ability to progress with the 10 year capital plan.	L (I) L (P)	This is considered to be low risk in terms of both the W&C Unit proposed investment and other investments. The Interim AMLU will not deliver the full benefits of the AMLU proposed in the new development in terms of meeting standards, adjacencies and future capacity requirements. The project does not impact on other site developments proposed in the Site Strategic Development Plan.
Overall Risk	**M**	

Action Required: For approval by Trust Board on 28th March 2024 and then for submission to the Commissioner (for revenue approval) and DoH (for information and confirmation of funding).